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PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 8 February 2017

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: COM(2017) 65 final - ANNEX 1

Subject: ANNEX to the Proposal for a Council Decision on the position to be
adopted on behalf of the European Union within the EU-Mexico Joint
Committee relating to amendments to Annex III to Decision No 2/2000 of
the EC-Mexico Joint Council of 23 March 2000, concerning the definition of
the concept of originating products and methods of administrative
cooperation

Delegations will find attached document COM(2017) 65 final - ANNEX 1.

Encl.: COM(2017) 65 final - ANNEX 1



Brussels, 8.2.2017
COM(2017) 65 final

ANNEX 1

ANNEX

to the

Proposal for a Council Decision

on the position to be adopted on behalf of the European Union within the EU-Mexico Joint Committee relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000, concerning the definition of the concept of originating products and methods of administrative cooperation

**DECISION No X/XXXX OF THE EUROPEAN UNION-MEXICO JOINT
COMMITTEE**

of XX XXXXXX XXXX

**relating to amendments to Annex III to Decision No 2/2000 of the EC-Mexico Joint
Council of 23 March 2000, concerning the definition of the concept of originating
products and methods of administrative cooperation**

THE JOINT COMMITTEE,

Having regard to Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000 (hereinafter 'Decision No 2/2000'), and its Annex III, and in particular Article 38 thereof,

Whereas:

- (1) Annex III to Decision No 2/2000 sets out the rules of origin for the products originating in the territory of the Parties to the Agreement.
- (2) The product specific rules of origin set out in Appendix II to Annex III to Decision No 2/2000 for products classified in Harmonized System headings 2914 and 2915 should be amended to allow the temporary application from 1 July 2014 to 31 December 2019 of the product specific rules of origin set out in notes 2 and 3 in Appendix II(a) to Annex III to Decision No 2/2000 and be updated to allow a modernised product specific rule of origin in line with recent trade agreements. It is considered appropriate to apply the new extension retroactively from 1 July 2014 in order avoid disruption in existing economic conditions.
- (3) Appendix V to Annex III to Decision No 2/2000 sets out the time-limit for each Party to accept an EUR.1 movement certificate issued retrospectively as referred to in Article 17(3) of that Annex, or for the exporter to present an invoice declaration to the customs authority of the importing Party after exportation of the products as provided for in Article 20(6) of Annex III to Decision No 2/2000.
- (4) For products falling under Harmonized System headings 2914 and 2915 imported into the EU in the period from 1 July 2014 to 30 June 2015, the period of presentation should be extended to three years to take into account the retroactive amendments to the product specific rules of origin for those products.
- (5) The title of Appendix V to Annex III to Decision No 2/2000 should be amended to align it with the changed time-limit and with Article 17(3) and Article 20(6) of Annex III to Decision No 2/2000.
- (6) Annex III to Decision No 2/2000 of the EC-Mexico Joint Council should therefore be amended accordingly,

HAS DECIDED AS FOLLOWS:

Article 1

1. Appendix II to Annex III to Decision No 2/2000 is amended as set out in Annex I to this Decision.
2. Appendix V to Annex III to Decision No 2/2000 is replaced as set out in Annex II to this Decision.

Article 2

This Decision shall enter into force 45 days after the day of its adoption.

It shall apply from 1 July 2014.

Done at XXXX, XX XXXX 2017

For the Joint Committee

ANNEX I

Appendix II to Annex III to Decision No 2/2000 is amended as follows:

(1) the following entry is inserted:

"HS heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
ex 2914*	<ul style="list-style-type: none"> — Diacetone alcohol — Methyl isobutyl ketone — Mesityl oxide 	Manufacture from acetone	Manufacture in which a chemical reaction is made**

* Applicable from 1 July 2014 to 31 December 2019.

** A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following processes should not be considered for purposes of origin:

- (a) dissolving in water or other solvents;
- (b) the elimination of solvents including solvent water; or
- (c) the addition or elimination of water of crystallization."

(2) the entry for HS heading 2915 is replaced by the following:

"HS heading	Description of product	Working or processing carried out on non-originating materials that confers originating status	
(1)	(2)	(3)	or (4)
2915*	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives, except for: <ul style="list-style-type: none"> — Acetic anhydride, ethyl and n-butyl acetate, vinyl acetate, isopropyl and methylamyl acetate, mono-, di- or trichloroacetic acids, their salts and esters 	Manufacture from materials of any heading. However, the value of all the materials of headings 2915 and 2916 used may not exceed 20% of the ex-works price of the product	Manufacture in which the value of all the materials used does not exceed 40% of the ex-works price of the product
		Manufacture from materials of any heading. However, the value of all the materials of heading 2916 used may not exceed 20% of the ex-works price of the product	Manufacture in which a chemical reaction is made**

* Applicable from 1 July 2014 to 31 December 2019.

** A “chemical reaction” is a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

The following processes should not be considered for purposes of origin:

- (a) dissolving in water or other solvents;
- (b) the elimination of solvents including solvent water; or
- (c) the addition or elimination of water of crystallization."

ANNEX II

Appendix V to Annex III to Decision No 2/2000 is replaced by the following:

"APPENDIX V

**PERIOD OF TIME FOR ACCEPTANCE BY THE CUSTOMS AUTHORITY OF
AN EUR.1 MOVEMENT CERTIFICATE ISSUED RETROSPECTIVELY IN
ACCORDANCE WITH ARTICLE 17(3) OF ANNEX III AND FOR THE
PRESENTATION OF AN INVOICE DECLARATION IN ACCORDANCE
WITH ARTICLE 20 (6) OF THAT ANNEX**

1. For imports to the European Union: The period of time is two years from the time when the products to which the EUR.1 movement certificate relates are imported. For products falling under HS heading ex 2914 and 2915 as set out in Appendix II, having entered the European Union between 1 July 2014 and 30 June 2015, the period of time is three years from the time when the products to which the EUR.1 movement certificate relates are imported.
2. For imports to Mexico: The period of time is one year from the time when the products to which the EUR.1 movement certificate relates are imported."